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E.O. 12958: DECL: 05/04/2016

TAGS: [ETTC](#) [KTFN](#) [PTER](#) [PREL](#) [EU](#) [UK](#)

SUBJECT: TERRORISM FINANCE: UK POSITION ON MENAFATF BEST
PRACTICES PAPER ON CHARITIES

REF: STATE 59414

Classified By: Economic Counselor Sandra Clark for reasons 1.5 (b) and
(d)

11. (C) Summary: The UK fully supports the MENAFATF best practices paper on charities, and there is no UK policy to relax the measures set out in the draft version of the paper.

While representatives of the Charity Commission have discussed the paper with MENAFATF members, they have done so based on their own experiences as a regulator on what works and what doesn't. The UK is very pleased with ongoing cooperation between the Charity Commission and the U.S., and as such were surprised at the strong tone of our demarche. End Summary.

12. (C) Embassy delivered reftel demarche to Ben Lyon in the Foreign and Commonwealth Office's Counterterrorism Policy Department and Sean Byrne in the Financial Systems and International Standards Department in Her Majesty's Treasury.

Both stressed that the UK strongly supports MENAFATF's efforts to develop a best practices paper on charities, and that the UK has no policy to encourage MENAFATF to relax the measures set out in its draft paper. They also said that the Charity Commission takes its policy guidance from HMT.

13. (C) Lyon said that Charity Commission, under funding from the FCO, is active throughout the Middle East, both bilaterally with a number of countries and through multilateral fora such as the World Bank and MENAFATF. Lyon said he would not be surprised if individual MENAFATF countries had asked the Charity Commission for their comments on the draft paper, but he said that the Charity Commission had not been instructed to actively seek to influence MENAFATF members. Lyon added that, if asked, the Charity Commission would have provided advice based on their own experience as regulators in England and Wales about how the draft best practices differed from their experience. He added that they would also likely have pointed out which

areas appeared to be difficult to implement from a regulator's point of view.

¶4. (C) Lyon said he doubted that Charity Commission advice was undermining the hard work which the region is taking on.

He emphasized the importance of allowing MENAFATF members, based on all the advice they received, make a determination regarding what they wanted to include in their best practices paper.

¶5. (C) Both Lyon and Byrne, noting excellent cooperation between the Charity Commission and the U.S., expressed surprise at the strong tone of our demarche, and said that they thought this issue had been resolved in side discussions with the U.S. delegation at the Cairo MENAFATF meeting. Both also stressed that they wanted to defuse this issue as quickly as possible and to focus on areas where the U.S. and Charity Commission can work together.

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